The Division promptly instituted a publicity campaign per radio, newspaper, and grocer displays, and this, combined with a 2d. reduction in consumer price, resulted in an increased sale of over 1.000,000 lb. without detriment to consumption of creamery butter.

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Following experiments by the Dairy Research Institute, a commercial plant for drying butter for shipment in non-refrigerated space has been erected by the Division at its late Auckland butter-patting plant, and this is coping with the problem of future surplus whey quantities. See further details in this report.

The Division is now arranging the manufacture of a plant for tinning butter, which is in much demand for overseas forces, patriotic parcels, and other military and essential civil needs.

Table showing Local Market Turnover of Butter for the Year ended 31st March, 1942.

1941.					Creamery,	Whey.	Total.	
					lb.	Ib.		
April					5,576,310	123,309	5,699,619	
May					5,375,774	130,080	5,505,854	
June					5,293,389	104,349	5,397,738	
July					5,616,913	72,053	5,688,966	
August					5,206,595	75,229	5,281,824	
September					5,400,867	120,180	5,521,047	
October					5,418,137	212,415	5,630,552	
${f November}$					4,854,119	263,790	5,117,909	
$\mathbf{December}$		• •	• •		$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	323,885	5,958,127	
		1942.						
January					4,883,404	221,681	5,105,085	
February		• •			4,938,621	223,668	5,162,289	
March	• •	• •			5,720,046	287,207	6,007,253	
					63,918,417	2,157,846	66,076,263	

TABLE SHOWING LOCAL MARKETING TURNOVER OF CHEESE FOR THE YEAR ENDED 31ST MARCH, 1942.

	1941.		1b.		1942.			lb.
$\mathbf{A}\mathbf{pril}$	 		 719,391	January				641,376
May	 		 928,171	February				672,569
June	 		 775,533	March				693,320
July	 		 654,167	Ì				
August	 		 548,836	Ì				8,265,921
September	 		 583,983					
October	 		 720,871					
November	 		 659,732					
December	 		 667,972					

## DRIED BUTTERFAT.

For many years New Zealand, as well as other countries, has spasmodically experimented with the drying of butterfat with a view to conserving refrigerated space and of reconstituting the fat at the points of delivery. The war, of course, has given an impetus to such work, and the Dairy Research Institute has been working very hard to bring experimental knowledge to a point of commercial practicability.

A plant was erected at Massey College, Palmerston North, which successfully processed many tons of butter which was well received in Britain. The British Ministry of Food asked for further quantities, and thus a solution to New Zealand's surplus whey problem was presented to us. The initial order to Massey College was for 600 tons of fat, which was manufactured from first- and second-grade creamery and whey butters.

A departmental committee was set up to consider the best means of providing a permanent plant. The following Departments were represented: Marketing Department, Export and Internal Divisions; Agriculture; Scientific and Industrial Research; Treasury; Dairy Research Institute and the New Zealand Dairy Board for the industry.

It was decided to recommend the erection of a plant at Auckland under the control of the Division, with the Dairy Research Institute giving full technical assistance. Plans were drawn for a single-unit plant capable of expansion to a double unit at short notice. This double unit is now being installed to provide further drying of fat.

The plant was erected at the premises of the Auckland Farmers' Freezing Co., Ltd., at King's Wharf in the rooms recently occupied by the Division patting department. Space is not excessive, but by a judicious use of all temporarily available facilities sufficient room is available to carry on the work successfully.

The plant commenced commercial production in August and is now working three shifts per day, five days a week. The workers were drawn from the dairy industry and trained at the Dairy Research Institute's plant at Palmerston North. The capacity of the plant working as above is 12,000 tons to 15,000 tons of butterfat annually.

A further plant of similar capacity would provide a very adequate insurance against reduced refrigerated shipping-space, and the Division is now, at the suggestion of the British Ministry of Food, providing a further shadow factory and plant to commence drying more butter in the event of a sudden need

The plant is also making a limited quantity of 13 oz. and 26 oz. tins equalling 1 lb. and 2 lb. butter for overseas parcels, prisoners of war, &c.

The appreciation of the Division and of the Government is expressed to dairy factories, who have loaned separators to the plant pending the arrival of new units from America. It may be necessary to